

20 Ways to Take Advantage of Your Company Benefits Plan



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THE WOMEN'S INSTITUTE FOR A SECURE RETIREMENT

Here are 20 ideas on how you can get more from your company, to help you save money, save time and protect what is important to you.

Many Americans are not prepared financially for retirement and many of us ignore some of the best ways to build a sound financial base—through benefits provided by our employers.

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A typical benefits package is worth a lot, often as much as 25% of an employee's income. Employer-sponsored benefits can include health, retirement, disability, life, long-term care and flexible spending accounts. It is up to you to know what your

employer provides and to take advantage of those opportunities to help protect your future.

Making Your Health Plan More Valuable

- ✓ Take advantage of any dental or vision plan your employer may offer, at group rates, as well as any FREE preventive screenings – mammograms, blood pressure, teeth cleaning, cholesterol tests and flu shots.
- ✓ Talk with doctors and nurses online or over the phone. Most plans have online chat times, or hotlines that you can call at night or during non-business hours.
- ✓ See if your plan gives you discounts for living a healthy life. Some offer discounts for gym memberships, exercise equipment, smoking cessation or nutrition classes.
- ✓ Be sure to use tax-advantaged accounts such as a Flexible Spending Account or a Health

Reimbursement Account, to help you pay your deductibles, co-pays and out-of-network costs. Make sure you budget anticipated expenses carefully, because once you allocate it, you must use it all.

- ✓ Think generically. If you can use generic drugs instead of brand name drugs, you can get the same medicine for less money. Ask your doctor if the generic drug can be used in your specific case.

Making Your Retirement Plan More Valuable

- ✓ Learn how to maximize your 401(k). The money you set aside grows tax-free. Also, make sure that you take advantage of company matches over the full 12 month period, if possible.
- ✓ Get professional help. Your company's 401(k) service provider may offer access to financial counselors. Many benefits providers offer online tools to help you plan your retirement. Ask your benefits office if these tools are available to you.
- ✓ Invest your retirement account in different types of investments, depending upon your



needs, goals and risk tolerance. Some investments make more sense if you are single. Some make more sense if your children are college-age.

- ✓ Do not over-invest in your company's stock. It is OK to invest in the company, just do not go overboard by putting all your eggs in one basket.



- ✓ If you have children who will likely attend college, look into 529 plans right away. In some states, the money you set aside will grow tax-free and can be withdrawn tax-free when used for tuition.

Some Ways to Protect Yourself and Your Family

- ✓ Change your benefits as you change your lifestyle. Getting married, having a child, becoming single again, or becoming an empty nester all have implications for your benefit plans. You may wish to ramp up some of your plans and downgrade others.
- ✓ Protect your income. The money you earn from working helps fund all the things you do in life. You insure your house, your car, your valuables—now protect the person responsible for them—You.
- ✓ Disability insurance pays part of your salary if you cannot work.
 - + Check with your benefits office to assess your level of coverage—you may want it increased. If you are married, ask your spouse to do the same.
 - + Ask your benefits office if your disability plan is portable if you decide to leave the company.

+ If you want to get a sense for your risk of becoming disabled, try the PDQ Calculator at www.whatsmypdq.org

- ✓ Life insurance policies offered by your employer help provide financial support to loved ones after a loss. Many employers provide a basic level of insurance, giving employees a good foundation of coverage. Sometimes companies will offer the opportunity to purchase higher levels of coverage at an affordable price. You may even be able to keep coverage if you leave the company. Be sure to check on your benefit levels—and if you are married, ask your spouse to do the same.
- ✓ Plan for the future with long-term care insurance if your employer offers it. Costs associated with long-term care are expensive, and Medicare does not pay for the cost of nursing homes or personal caregiving. Many policies today offer support for in-home care in addition to the options of nursing homes or assisted living facilities.
- ✓ Recheck your benefits information to assure that the beneficiaries listed in your benefits package are current/updated. And, again, if you are married, ask your spouse to do the same.
- ✓ Like to do risky things? Weekend athlete? Take a look and see if Accident Insurance is offered at your workplace. It is relatively inexpensive and it will help pay for some of the big costs that come if you hurt yourself accidentally.
- ✓ If you come from a family that has a history of health issues, you may want to look at buying critical illness insurance. That, too,

may be offered at your worksite at relatively inexpensive rates. Many policies cover specific diseases like cancer and heart disease. If you know you are predisposed to these, it might help you rest easier.

- ✓ Some employers offer insurance options for covering out-of-pocket expenses when an illness occurs. Check with your benefits office to see if voluntary products such as hospital indemnity insurance might be available.
- ✓ Work as long as you can. The longer you can wait to retire, the more likely your benefits will increase.

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